



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

October 7, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 3 TO LEASE NO. 63775
PROBATION DEPARTMENT
1652-1662 WEST MISSION BOULEVARD, POMONA
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

The recommendation is for an amendment to an existing lease for 6,400 square feet of expansion space to accommodate growth in the Probation Department's (Probation) East San Gabriel Valley programs.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3), of the State CEQA Guidelines.
2. Approve and instruct the Chair to sign Lease Amendment No. 3 to Lease No. 63775 with SAFCO Equity Partnership, LP (Landlord), at 1652-1662 West Mission Boulevard, Pomona, for 6,400 rentable square feet of expansion space to be occupied by Probation for five years, at a maximum initial annual rental cost increase of \$207,146. The increase in rental costs is attributable to an increase in the base rent of \$124,942, plus the annual amortized cost of the Tenant Improvements (TIs) allowance for the expansion space, which will not exceed \$82,204. The combined maximum initial annual rental cost increase and annual amortized cost of the TIs total \$207,146, which is 100 percent net County cost.

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3. Authorize the Landlord and/or the Director of the Internal Services Department (ISD), at the discretion of the Chief Executive Office (CEO), to acquire a telephone system for the expansion space not to exceed \$195,000. All or part of the telephone, data and low voltage systems costs may be paid in a lump sum or financed over a five-year term.
4. Authorize the Director of ISD and Probation to acquire furniture at a cost not to exceed \$210,000.
5. Authorize the CEO, ISD, and Probation to implement the project. The lease will be effective upon Board approval and the term will commence upon completion and acceptance of the TIs by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In January 2007, Probation was awarded the Mentally Ill Offender Crime Reduction (MIOCR) grant to operate a direct service program for minors in the San Gabriel Valley. The MIOCR program entails a collaborative effort between Probation, Department of Mental Health, Department of Health Services, County Office of Education, and Community Based Organizations. The MIOCR grant is expected to provide funding for program operations but the grant will not provide funding for the proposed lease costs. In the event MIOCR staff are reassigned or displaced due to the termination of the grant, Probation is prepared to backfill the space with staff from the Intensive Gang Supervision (IGSP) program, the School-Based Supervision (SBS) program, Camp Community Transition Program (CCTP), and the Community Detention Program (CDP).

The subject facility has housed several Probation programs over the past 17 years. These existing programs have grown and need additional space to continue delivering quality services.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

In compliance with the Countywide Strategic Plan, the proposed expansion space will enhance coordination and collaboration, as well as the efficient delivery of services that are convenient for public access. (Goal 1, Service Excellence and Goal 3, Organizational Effectiveness). The proposed lease amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The existing lease is modified full service gross whereby the County is responsible for payment of all utilities. The proposed lease amendment will provide 6,400 rentable square feet of expansion space at a total annual rental cost increase of \$207,146, if all of the reimbursable TI allowances are used.

1652-1662 W. Mission Blvd.	Existing Lease Amendment No. 2	Proposed Lease Amendment No. 3	Changes
Area	15,280 sq. ft.	21,680 sq. ft.	+6,400 sq. ft.
Term	2/1/06 to 1/31/12	2/1/09 (projected) to 1/31/14	+ 2 years
Annual Base Rent	\$299,119	\$424,061	+\$124,942
Annual Base Rent Adjustment	CPI Adjustment, 5 percent max	Fixed Increases of 3 percent after February 1, 2010	Fixed Increases of 3 percent after February 1, 2010
Annual TI Reimbursement*	N/A	\$82,204	+\$82,204
Maximum Annual Rent**	\$299,119	\$506,265	+\$207,146
Base TI Allowance	None	\$64,000	+\$64,000
Additional TI Allowance*	None	\$320,000	+\$320,000
Change Order Allowance *	None	\$10,000	+\$10,000
Parking (included in rent)	80 surface spaces	111 surface spaces	+31 surface spaces
Cancellation	At or after February 1, 2010 upon 180 days notice	At or after 36 months from the commencement of occupancy of the expansion space, upon 180 days notice	+ 2 years

* The additional TI and change order allowances amortized at 9 percent over five years will result in an annual payment of \$82,204.

**The maximum annual rent is the aggregate of annual base rent and annual TI reimbursement.

Funding for this amendment in the amount of \$207,146 for ongoing cost and \$405,000 for one-time cost for a total of \$612,146 will be made available upon Board approval of the 2008-09 Final Adopted budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment will increase the Probation occupancy in the subject building from 15,280 to 21,680 rentable square feet of office space and increase the amount of TI funds allocated to the project. The existing terms and conditions of the lease shall remain unchanged for the proposed amendment, except the following:

- The term for the expansion space will be effective upon Board approval and will commence upon substantial completion of the TIs and acceptance by the County.
- Pursuant to the CPI adjustment in February 2008, the monthly rental rate is approximately \$1.63 per square foot and will remain constant until February 1, 2010. The rate increases to \$1.78 in February 2010 and will be increased thereafter at 3 percent per annum.
- The lease provides the County the right to cancel and vacate all 21,680 square feet of space at or after 36 months from the commencement of occupancy of the new expansion space, upon 180 days prior written notice and the reimbursement of the unamortized TIs to the Landlord. In the event occupancy of the new expansion space occurs on February 1, 2009, the right to cancel will be at or after February 1, 2012.
- The Landlord will contribute a base TI allowance of \$64,000 at no additional cost to the County.

The Landlord will provide an additional TI allowance of \$320,000 and a change order allowance of \$10,000. The additional and change order allowances may be amortized at 9 percent over a five-year period or paid in lump-sum at the option of the County.

Probation will acquire furniture through ISD Purchasing, at a cost not to exceed \$210,000. The furniture costs are not included in the TI allowance. Probation will also acquire phone/data systems through ISD, at a cost not to exceed \$195,000. The costs of phone/data systems are not included in the TI allowance.

The CEO Real Estate Division staff conducted a survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any suitable sites in the surveyed area that could accommodate this space requirement. Staff has established that the rental range for similar space is between \$18.00 and \$23.40 per rentable square foot per year. Thus, the annual rental rate of \$19.52 for the proposed lease amendment is within fair market rent for the area. Attachment B shows all County-owned or leased facilities in proximity of the service area, and there are no County-owned or leased facilities available for this program.

ENVIRONMENTAL DOCUMENTATION

The CEO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

The Honorable Board of Supervisors
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The Department of Public Works (DPW) inspected the facility for seismic safety and Americans with Disabilities Act accessibility and DPW found it suitable for County occupancy.

Notice has been sent to the City of Pomona pursuant to Government Code Sections 65402 and 25351.

A child care center in this building is not feasible.

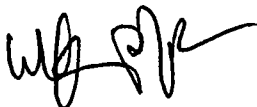
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will provide the office space necessary for the Probation to implement the new programs and expand the existing programs for participants throughout the San Gabriel Valley. The Probation Department concurs with the recommendation herein.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the lease, two originals of the certified copies of the Minute Order and the adopted, stamped Board letter to the CEO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
CEM:KW:hd

Attachments (3)
c: County Counsel
Auditor-Controller
Probation Department

PROBATION DEPARTMENT
1652-1662 WEST MISSION BOULEVARD, POMONA
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ²	X		
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq.ft of space per person? ²	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program? 100 percent NCC for the lease costs.	X		
	B	Is this a long term County program?	X		
	C	If yes to 2 B or C; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? ² The space is available at competitive market rates and is the only space contiguous to the existing office space which can accommodate the Probation expansion.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" parking area.			
		2. ___ No suitable County occupied properties in project area.			
		3. ___ No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. X The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
		¹ As approved by the Board of Supervisors 11/17/98			
		² If not, why not?			

PROBATION DEPARTMENT
SPACE SEARCH 3 MILE RADIUS OF
1652-1662 WEST MISSION BOULEVARD, POMONA

LACO	FACILITY NAME	ADDRESS	GROSS SQ. FT.	NET SQ. FT.	OWNERSHIP	AVAILABLE SQ. FT.
5941	AG COMM- BONELLI FIELD OFFICE	250 Via Verde, San Dimas 91773	764	282	OWNED	NONE
X561	BONELLI REGIONAL PARK HDQTR BLDG	120 Via Verde, San Dimas 91773	2646	1322	OWNED	NONE
0216	SHERIFF- METROLINK UNIT	1615 McKinley Ave, La Verne 91750	3050	2898	LEASED	NONE
4135	BRACKETT FIELD ADMIN BLDG	1615 McKinley Ave, La Verne 91750	9393	3693	OWNED	NONE
A019	AIR OPERATIONS	1889 McKinley Ave, La Verne 91750	1516	1440	LEASED	NONE
Y478	La Verne Public Library	3640 D St, La Verne 91750	10347	8486	OWNED	NONE
6312	Claremont Public Library	208 N Harvard Ave, Claremont 91711	22921	17447	OWNED	NONE
3819	POMONA COURTHOUSE	350 W. Mission Bl, Pomona, 91766	50934	30181	FINANCED	4657
5307	DHS-Pomona Health Center	750 S. Park Ave, Pomona, 91766	15980	14960	FINANCED	NONE
5309	POMONA COURTHOUSE SOUTH	400 Civic Center Plaza, Pomona, 91766	207831	98471	OWNED	NONE
A052	DPSS-In Home Supportive Service	360 E. Mission Bl, Pomona, 91766	17616	16735	LEASED	NONE
A300	DA-Pomona Office	300 S. Park Ave, Pomona, 91766	5209	4428	LEASED	NONE
A359	DPSS-GAIN Office	2255 N. Garey Ave, Pomona, 91768	19500	18525	LEASED	NONE
A370	DPSS-GROW Office	416 N. Garey Ave, Pomona, 91768	5000	4823	LEASED	NONE
A376	DCFS-Pomona Wash Mutual Bldg	100 W. 2 nd St, Pomona, 91766	37315	35449	LEASED	NONE
A563	APD-Pomona Office	101 W. Mission St, Pomona, 91766	2744	2607	LEASED	NONE
D602	DPSS-District Office	2040 W. Holt Ave, Pomona, 91768	54265	39418	LEASED	NONE

**AMENDMENT NO. 3 TO COUNTY LEASE NO. 63775
1652-1662 WEST MISSION BOULEVARD, POMONA**

This Amendment No. 3 to Lease No. 63775 ("Amendment No. 3") is made and entered into this _____ day of _____, 2008, by and between SAFCO EQUITY PARTNERSHIP, LP, a California Limited Partnership ("Lessor") and the COUNTY OF LOS ANGELES, a body politic and corporate ("Lessee").

RECITALS:

WHEREAS, Abe and Thelma Grossman ("Original Lessor"), predecessor-in-interest to SAFCO Equity Partnership, and Lessee entered into that certain County Lease No. 63775 dated August 21, 1990 whereby Original Lessor leased to Lessee approximately 13,680 rentable square feet of office space in the building located at 1660 West Mission Blvd., Pomona, California ("Premises A"), for a term of ten (10) years ("Initial Term") from February 6, 1991 to February 5, 2001; and

WHEREAS, Lessor, as successor-in-interest to Original Lessor, and Lessee entered into that certain Amendment No. 1 to County Lease No. 63775 dated April 4, 2000, whereby Lessor leased to Lessee an additional 1,600 rentable square feet of office space in the building located at 1660 West Mission Blvd., Pomona, California ("Premises B"), and extended the Lease Term from February 1, 2001 to January 31, 2006; and

WHEREAS, Lessor, as successor-in-interest to Original Lessor, and Lessee entered into that certain Amendment No. 2 to County Lease No. 63775 dated January 17, 2006, whereby the parties extended the Lease Term from February 1, 2006 to January 31, 2012 (Lease No. 63775, and Amendments 1 and 2 thereto are collectively referred to hereinafter as the "Lease"); and

WHEREAS, Lessor and Lessee desire to amend the Lease for the purpose of expanding the Premises again, to include an additional 6,400 square feet of office space in the building located at 1652 & 1668 West Mission Blvd., Pomona, California, as delineated on Exhibit "A" and depicted on Exhibit "A-1" ("Premises C"), extending the Term of the Lease and making the term for Premises A, Premises B and Premises C coterminous, pursuant to the terms and conditions of the Lease and this Amendment No. 3; and

WHEREAS, Lessor is the successor-in-interest to the Original Lessor, and, as such, assumes all of the rights and obligations of the Original Lessor arising under the Lease, as amended hereby; and

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, Lessor and Lessee hereby covenant and agree to amend the Lease as follows:

1. Section 1. DESCRIPTION OF PREMISES, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located at 1652-1662 West Mission Blvd., Pomona (the "Building") in the County of Los Angeles, State of California, and more particularly described as follows:

Premises A: Consisting of 13,680 rentable square feet;

Premises B: Consisting of 1,600 rentable square feet;

Premises C: Consisting of 6,400 rentable square feet;

Premises A, B, and C shall be collectively known as the "Premises" and are located within the Building, which is located on property currently assessed by the County Assessor as APN 8349-001-035.

The Premises shall consist of approximately 21,680 rentable square feet, as further delineated in the amended Exhibit "A" (Site Plan) attached hereto and incorporated herein by this reference. Lessor represents that the Premises total 21,680 rentable square feet, and that at no time, except by specific amendment to this Lease, will the amount of square footage as contained herein exceed the amount stated above.

Lessee shall have the exclusive right within ninety (90) days of approval by the Board of Supervisors to field-measure and verify the exact square footage of the Premises. All measurements to be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association (BOMA) International. Should this measurement be less than the square footage stated above, Lessee shall have the exclusive right to adjust said square footage and reduce the rent in Paragraph 3 hereof upon written notice to Lessor. Lessor acknowledges that it has marketed the space at the above indicated measurements and in the event of subsequent physical measurements, Lessor agrees there will be no adjustment made to either the square footage or the rent in the event the measured square footage exceeds the amount represented by the Lessor.

2. Section 2A. TERM, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

The term for Premises A, and B commenced on February 1, 2006 and shall terminate on January 31, 2014. The term for Premises C shall commence upon the date of Substantial Completion of the Tenant Improvements (the "Premises C Commencement Date") and shall terminate on January 31, 2014.

Within 30 days of determining the Premises C Commencement Date, Lessor and Lessee shall acknowledge in writing the Premises C Commencement Date by executing the Commencement Date Memorandum attached hereto as Exhibit "B" and incorporated herein by this reference. The Lessee's Chief Executive Officer, is hereby authorized to

sign on behalf of Lessee. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; (2) Lessor has sufficiently completed all the work required to be performed by Lessor in accordance with this Lease, including the installation of any modular furniture systems pursuant to Section 25 below, except minor punch list items which Lessor shall thereafter promptly complete, such that Lessee can conduct normal business operations from the Premises; (3) Lessor has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises (i.e., an approval by the Pomona Fire Department), or its equivalent (with final sign-off by City and/or County Fire and Building Inspectors as applicable; and (4) Lessee has been provided with the number of parking privileges and spaces to which it is entitled under this Lease.

3. Section 3. RENT, is hereby amended, and the following language shall be inserted:

The rent for Premises C shall commence on the Premises C Commencement Date. The projected date of the Premises C Commencement Date is April 1, 2009.

The rent for Premises A, B and C shall be due and payable in accordance with the rental rates set forth in Section 26 herein. Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis.

4. Paragraph 5 of the Lease and Paragraph 5 of Amendment No. 2. is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

Lessee shall have the right to cancel this Lease at or any time after the thirty sixth (36th) month from the Rent Commencement Date of Premises C, by giving Lessor not less than 180 days prior written notice by Chief administrative Office letter. In the event Lessee elects to cancel the Lease, Lessee shall pay Lessor the unamortized portion of all Tenant Improvement costs within 30 days of the cancelation Date.

5. Section 20. PARKING SPACES, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

(a) Lessee's Rights. Lessee shall have the right to use 111 common, non-exclusive parking spaces located on the front and back parking lot at the Building without charge for the Term of this Lease. No tandem parking shall be permitted and Lessee shall be entitled to full in/out privileges. Lessee's parking rights shall be subject to reasonable parking rules and regulations adopted by Lessor from time to time, provided that such procedures shall be applied to all tenants in a non-discriminatory manner. Lessee acknowledges that all other parking spaces are not for the exclusive use of Lessee, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Lessee and other tenants, occupants, licensees, invitees and permittees of the Building.

(b) Remedies. Lessor acknowledges that it is a material term of this Lease that Lessee receive all of the Parking Spaces set forth in Section 20(a) above for the entire Term of this Lease during Normal Working Hours and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a total of 25 parking spaces or more of the 111 parking spaces required are unavailable to Lessee for a 30-day period, (in addition to any other rights or remedies given to Lessee under this Lease or by law) Lessee may (a) terminate this Lease by giving written notice of such termination to Lessor, and Landlord has failed to cure the problem within thirty (30) days after the receipt of Lessee's such notice or (b) if, for any reason whatsoever, all of the 111 parking spaces required are unavailable to Lessee then Lessee may deduct from the rent thereafter accruing hereunder an amount of \$4 per parking space per day.

6. Section 25. TENANT IMPROVEMENTS, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

Prior to the Premises C Commencement Date, Lessor shall construct the Tenant Improvements pursuant to the Space Plan set forth on Exhibit "A-1" attached hereto and incorporated herein by this reference (collectively the "Tenant Improvements") and in accordance with Plans and Specifications prepared by Lessor, in the following manner:

(a) Base Tenant Improvement Allowance. Lessor shall provide a Base Tenant Improvement Allowance of \$64,000 (the "Base TI Allowance") to be used for the completion of the proposed Tenant Improvements constructed pursuant to the Space Plan set forth on Exhibit "A" attached hereto and Plans and Specifications prepared by Lessor. All architectural, engineering and soft costs associated with the Tenant Improvements shall be funded via the Tenant Improvement Allowances set forth in this Section 25.

(b) Additional Tenant Improvement Allowance. In addition to the Base TI Allowance, Lessor shall provide an Additional Tenant Improvement Allowance of \$320,000 (the "Additional TI Allowance") to be used for the completion of the Tenant Improvements. The Base TI Allowance combined with the Additional TI Allowance shall amount to \$384,000. Lessee agrees to reimburse Lessor for Tenant Improvement costs above \$64,000 (the Base TI Allowance) via a lump sum payment within thirty (30) days after the Substantial Completion of the Tenant Improvements and/or monthly amortization payments throughout the initial 60 months of the Premises C term (or such shorter period if the Premises C term is for a period of less than sixty (60) months) at an amortization rate of 9%. For purposes of ascertaining the actual costs of said Tenant Improvements, Lessor shall provide to Lessee, upon the issuance of a Certificate of Occupancy, or a final sign-off by the City of Pomona, a detailed breakdown of the total costs of constructing the Tenant Improvements and invoices from the contractor(s) performing the construction and installation of the Tenant Improvements and shall execute a summarized breakdown of the total costs of the Tenant Improvements in the form of set forth on Exhibit "C" (Memorandum of Tenant Improvement Costs), attached hereto and incorporated herein by this reference. Lessee shall have the right to review such cost breakdown, invoices and Memorandum of Tenant Improvement Costs for a period of thirty (30) days from the Premises C Commencement Date, and if Lessee objects to any such costs, Lessee shall so notify Lessor in writing of such objections within such thirty (30)-day period. If the parties are unable to resolve any dispute relating to such costs, the matter shall be submitted to arbitration, pursuant to the

then prevailing rules of the American Arbitration Association; each party shall select an arbitrator and the two (2) arbitrators shall select a third arbitrator who shall determine whether the cost(s) in dispute are reasonable. If the cost(s) in dispute are determined to be more than twenty-five percent (25%) less than the amount set forth on the invoice provided by Lessor, then Lessor shall pay for the costs of arbitration; otherwise, the costs shall be split equally between the parties.

As part of the Additional TI Allowance, Lessee may request Lessor to purchase modular office furniture from a list of Lessee-approved vendors pursuant to the Space Plan, provided such request is submitted to Lessor in writing within ten (10) days after the full execution of this Amendment No. 3. Lessee shall deliver to Lessor within ten days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Lessor and/or Lessor's architect shall prepare a modular specifications bid package for submission to no fewer than three (3) furniture vendors. Prior to submission for bids, Lessor and/or Lessor's architect shall review the bid package with Lessee and Lessee shall have the right to approve or disapprove the bid package within five (5) business days after Lessee's receipt thereof. Lessor shall not be responsible for the cost of such modular furniture in excess of the Additional TI Allowance. Lessor shall provide to Lessee a detailed breakdown of the total cost of the modular furniture and invoices therefor and shall insert the total amount of such costs, including costs of installation, on the Memorandum of Tenant Improvement Costs, in the form of the attached Exhibit "C," upon the issuance of a Certificate of Occupancy, or a final sign-off by the City of Pomona. Lessee shall have the right to review the costs for a period of thirty (30) days after receipt of the foregoing documents, pursuant to the procedure set forth above in the preceding paragraph, but in no event shall Lessee have the right to object to the costs if such costs are the same as, or exceed by less than five percent (5%), the costs set forth in the bid package previously approved by Lessee. Provided Lessee has approved the modular furniture and cost thereof, Lessor shall be responsible for ordering and installing the modular furniture in consultation with Lessee. Lessee agrees to reimburse Lessor for the total cost to purchase and install the modular furniture via a lump sum payment within thirty (30) days after installation of the modular furniture and/or monthly amortization payments throughout the initial 60 months of the Premises C term (or such shorter period if the Premises C term is for a period of less than sixty (60) months) at an amortization rate of 9%. Upon receipt of full reimbursement from Lessee, Lessor shall complete a bill of sale and other appropriate documents transferring all rights, title and interest in the modular furniture to the Lessee, and said furniture shall become the sole property of the Lessee.

(c) Tenant Improvement Process. Lessor within ten days after receipt of a duly executed copy of this Amendment No. 3 and County-approved Preliminary Plans (as defined hereinbelow) shall promptly prepare or cause its architect to prepare the working drawings covering the Tenant Improvements (the "Working Drawings") which are to be prepared in accordance with Preliminary Plans No. 32-07 dated February 7, 2008 (the "Preliminary Plans"). Said Plans are also on file with the County's Chief Executive Office and are set forth on Exhibit "A-2" hereto and incorporated herein by this reference and Lessor has a full-sized duplicate copy thereof. Lessor shall provide any final Working Drawings required from said Preliminary Plans with Lessee having the right to review and approve said final Working Drawings, provided Lessee shall do so within five (5) business days after receipt thereof (and if Lessee disapproves, Lessee shall provide Lessor with a detailed explanation as to Lessee's specific objections) and further provided Lessee shall not unreasonably withhold its approval. The Tenant Improvements shall be completed by Lessor as a build-to-suit project using the Tenant

Improvement Allowances set forth below. The Tenant Improvements must be of substantially the same quality, value and workmanship as the remainder of the Building, and must be completed in accordance with all applicable laws.

The Premises shall meet all applicable City, County, State and Federal building codes, regulations and ordinances required for beneficial occupancy. Any non-Tenant Improvement work, including construction, that Lessor must undertake to obtain the necessary jurisdictional approvals for occupancy shall be at Lessor's sole cost and expense and shall not be considered as part of any Tenant Improvement Allowance hereunder. Any work to meet applicable code requirements necessitated by Lessee's special requirements shall be included as part of the Tenant Improvement Allowances provided herein. The Tenant Improvement costs shall not include any costs incurred for asbestos abatement, fire sprinkler system, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense of Lessor.

Any and all construction pertaining to this Lease by Lessor or its designated contractors or subcontractors shall comply with all applicable City, County, State and Federal regulations, codes and ordinances, including without limitation all provisions of the California Labor Code. Under the provisions of said Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction and performance of the Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the County Board of Supervisors, which is applicable to the Tenant Improvements are filed with the Clerk of the Board of Supervisors and must be posted at the subject work site.

All work, construction and materials shall be in the final Working Drawings. All circuit breakers, fire sprinklers, and plumbing shut off valves shall be labeled as to areas controlled both on the Working Drawings and on the breaker panels and valves. Within thirty (30) days after the actual Completion Date, Lessor shall furnish the Lessee's Chief Executive Office with one (1) complete set of reproducible as-built drawings of the Tenant Improvements on an AutoCad system basis, together with the existing plans, if any, showing the locations of any underground utility lines and their depths.

(d) Completion. The parties agree that the estimated time for completion of the Tenant Improvements is 120 days from the date of issuance of the building permit(s) (the "Estimated Completion Date"). Lessor shall file for building permit(s), if applicable, to construct the Tenant Improvements within ten (10) days of completion of final Working Drawings and Lessee's acceptance thereof and shall diligently proceed to obtain the permit(s) as soon as reasonably possible. Additionally, Lessor shall complete the telephone equipment room(s) including permanent power and HVAC in compliance with the plans and specifications referenced above as Exhibit "A-2."

(e) Change Orders. Any Lessee requested and approved change orders shall not exceed a total cost of Ten Thousand Dollars (\$10,000) and Lessor shall not be required to accept any particular change order if the total cost of prior Lessee initiated change orders exceeds Ten Thousand (\$10,000). Lessee shall reimburse Lessor for the cost of all Lessee requested and approved change orders, including, without limitation, increased fees which Lessor may be required to pay for architectural, engineering and other similar services arising

by reason of any change, modification or alteration to the final Working Drawings, any additional construction costs including costs of change orders charged by Lessor's contractor and any and all other costs, expenses and/or damages incurred or suffered by Lessor by reason of such change order, and any delays directly or indirectly caused by such change order shall be at the sole cost and expense of Lessee and shall be paid by Lessee to Lessor before the performance of the work requested by Lessee. Lessee's Chief Executive Officer is hereby authorized to approve change orders on behalf of Lessee. Lessee shall pay for change order costs via a lump sum payment within thirty (30) days after the Substantial Completion of the Tenant Improvements and/or monthly amortization payments throughout the initial 60 months of the Premises C term (or such shorter period if the Premises C term is for a period of less than sixty (60) months) at an amortization rate of 9%. Lessor, or Lessor's contractor, shall submit to the Chief Executive Officer, with each requested change order (a) specific cost of the requested change; (b) the cumulative net total cost of all change orders previously approved; and (c) an estimate of the construction time which will be increased or shortened if the change order is approved. Each change order shall be signed and dated by the Chief Executive Officer to be considered approved. Lessee shall have the right to review the cost of the changes for a period of thirty (30) days after completion of the changed item, subject to the terms of the first paragraph in Section 25(b) above, but in no event shall Lessee have the right to object to the costs if such costs are the same as, or exceed by five percent (5%) or less, the costs set forth in the change order previously approved by Lessee.

(f) Construction Delays. Completion of the Tenant Improvements may be delayed by the following ("Force Majeure Events"):

1. Any act of God which Lessor could not have reasonably foreseen and provided for, or
2. Any strikes, boycotts or like obstructive acts by employees or labor organizations which Lessor cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or
3. Any war or declaration of a state of national emergency, or
4. The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the Tenant Improvements.

(g) Lessee Remedies. If Lessor fails to obtain the building permit for the Tenant Improvements within a reasonable time, taking all factors into consideration, or if the Tenant Improvements have not been completed within one hundred eighty (180) days from the Estimated Completion Date, which period shall be extended for the duration of a Force Majeure Event, Lessee may, at its option, upon thirty (30) days written notice to Lessor, assume the responsibility for performing the Tenant Improvements itself. If Lessee elects to perform the Tenant Improvements, then Lessee, its officers, employees, agents, contractors, subcontractors and assignees, shall have free access to the Premises at all reasonable times for the purpose of performing the Tenant Improvements and for any other purposes related thereto.

7. Section 26. RENTAL ADJUSTMENT, is hereby deleted in its entirety, and the following

language is inserted in substitution thereof:

Effective on the dates indicated, the rental rate for the Premises shall be increased as follows:

February 1, 2009 to January 31, 2010:	\$1.63 per rentable square foot per month
February 1, 2010 to January 31, 2011:	\$1.78 per rentable square foot per month
February 1, 2011 to January 31, 2012:	\$1.84 per rentable square foot per month
February 1, 2012 to January 31, 2013:	\$1.89 per rentable square foot per month
February 1, 2013 to January 31, 2014:	\$1.94 per rentable square foot per month

8. Paragraph 13 of the Lease is hereby amended to provide that (a) Lessee shall obtain Lessor's prior written consent for any assignment of the Lease or sublease of the Premises, provided such consent shall not be unreasonably withheld, conditioned or delayed and (b) in the event of any assignment or sublease, the original Lessee named herein shall remain responsible and liable for the performance of all obligations set forth in the Lease.

9. All undefined terms when used herein shall have the same respective meanings as are given under the Lease as amended unless expressly provided otherwise in this Amendment No. 3.

10. Each of the signatories for Lessor and Lessee each personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Amendment No. 3 upon the terms and conditions stated herein and each agrees to indemnify and hold harmless the other party from all damages, costs, and expenses, which result from a breach of this representation.

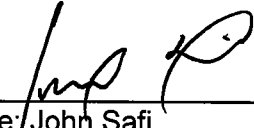
11. In the event of a conflict between the terms and conditions of this Amendment No. 3 and the terms and conditions of Lease No. 75318 and/or any prior amendment thereto, the terms and conditions of this Amendment No. 3 shall prevail. All other terms and conditions of the Lease as amended shall remain in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 3 or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Amendment No. 3 to be executed on its behalf by the Chair of said Board and attested to by the Clerk thereof the day, month, and year first above written.

LESSOR:

SAFCO EQUITY PARTNERSHIP, LP
a California Limited Partnership

By: SAFCO HOLDING CORPORATION,
a California corporation – Its General Partner

By: 
Name: John Safi
Title: President

LESSEE:

COUNTY OF LOS ANGELES

By _____

Chair, Board of Supervisors

ATTEST:
Sachi A Hamai
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By 
Deputy

EXHIBIT A
SITEPLAN

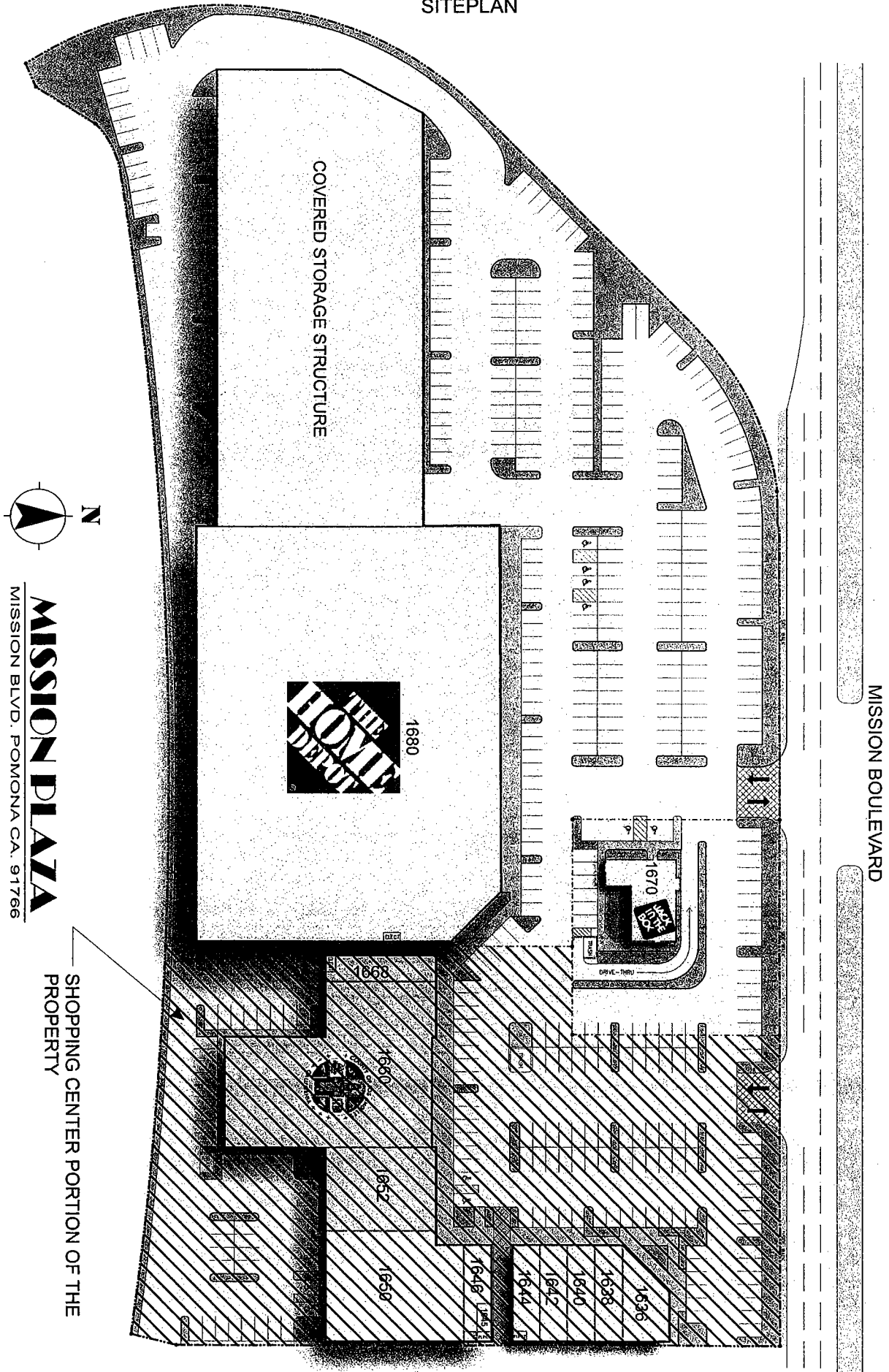
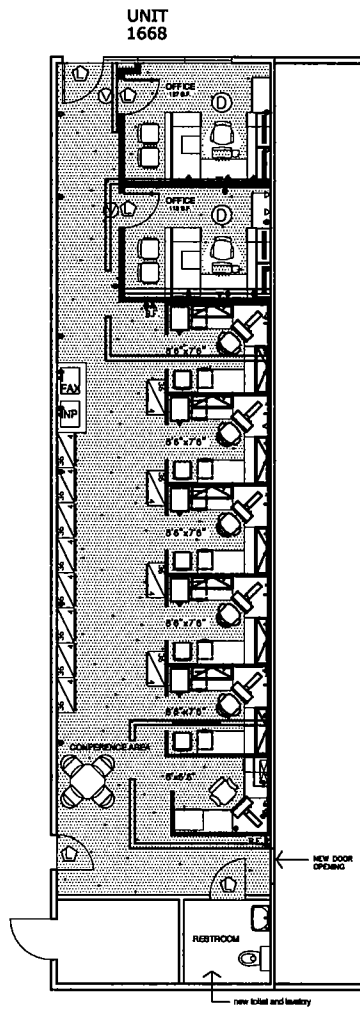
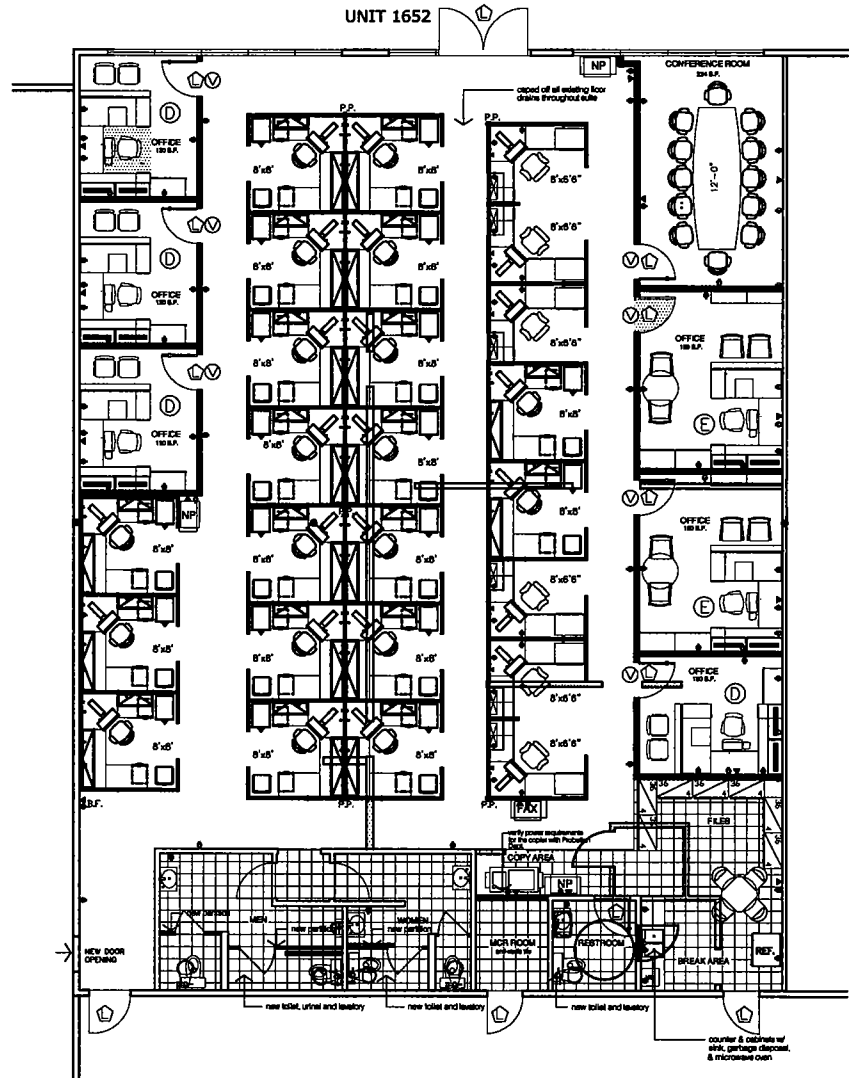


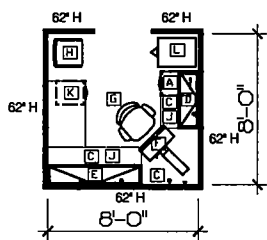
EXHIBIT A-1



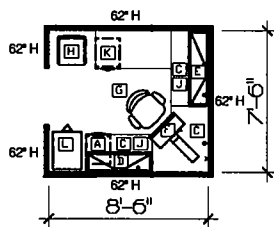
FLOOR PLAN (UNIT 1668)



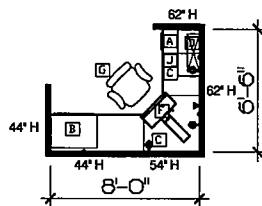
FLOOR PLAN (UNIT 1652)



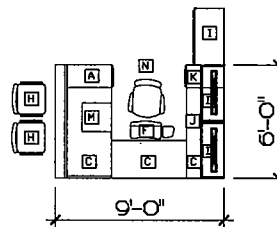
A



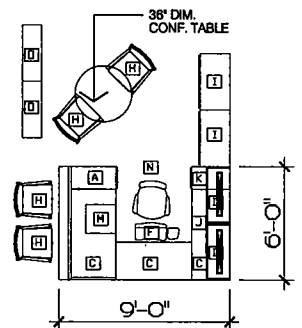
B



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D

















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EXHIBIT A-2

NOTES:

1. See Outline Specifications dated 2/15/08 for additional information.
2. See plans prepared by County of Los Angeles, Internal Services Department, Information Technology Service, for additional information.
3. Verify exact locations of electrical and data outlets, and specific electrical requirements, with County.

LEGEND

	existing wall
	existing wall to be removed
	new full-height, sound-insulated wall
	existing door
	existing door to be removed
	new 3'x7' solid-core door
	door viewport
	door lock
	42"-62" high furniture systems panel as applicable
	new duplex electrical outlet in wall or partition raceway (or as noted)
	new voice/data outlet in wall or partition raceway
	furniture systems power/data base feed / power pole
	new vinyl tiles
	new carpet

CONSTRUCTION NOTES

- ① PROVIDE ONE 20 AMP CIRCUIT FOR EVERY (TWO) WORKSTATIONS TYP.
- ② PROVIDE NEW AIR SUPPLY AIR RETURN AT NEW ENCLOSED OFFICES
- ③ PROVIDE NEW CONDUIT FOR TELECOMMUNICATION CABLING BASE FEED CONNECTION AND POWER POLE CONNECTION TO FURNITURE SEE FLOOR PLANS FOR LOCATIONS
- ④ PROVIDE NEW CONDUIT AT ALL LOCATIONS OF ELECTRICAL BASE FEED AND POWER POLE FOR SYSTEM FURNITURE (COORDINATE WITH FURNITURE PLANS)
- ⑤ ELECTRICAL BASE FEED AND POWER POLES SHALL BE PROVIDED BY FURNITURE VENDOR ELECTRICAL CONTRACTOR SHALL BE RESPONSIBLE FOR THE TERMINATION OF BASE FEEDS AND POWER POLES TO THE ELECTRICAL SERVICE J-BOXES
- ⑥ PROVIDE ELECTRICAL SERVICES AT ENCLOSED OFFICES, SEE FLOOR PLAN FOR LOCATION OF DUPLEX OUTLETS
(ONE) OUTLET TO BE AN ISOLATED GROUND CIRCUIT FOR COMPUTER
- ⑦ ALL INTERIOR WALLS SHALL BE INSULATED, PROVIDE MIN. INSUL. ST RATING AS PER OUTLINE SPECIFICATIONS
- ⑧ PROVIDE CEILING INSULATION AT ALL OFFICES AND CONFERENCE ROOM

CUBICLES

- | | |
|--|---|
| <p>[A]</p> <p>[B]</p> <p>[C]</p> <p>[D]</p> <p>[E]</p> <p>[F]</p> <p>[G]</p> <p>[H]</p> <p>[I]</p> <p>[J]</p> <p>[K]</p> <p>[L]</p> <p>[M]</p> <p>[N]</p> <p>[O]</p> | <p>15" WIDE, PEDESTAL, BOX, BOX, FILE WITH PENCIL TRAY AND LOCK SET</p> <p>36" WIDE, 2 DRAWERS LATERAL, WITH HORIZONTAL FILES SUPPORT BARS FOR LEGAL & STD. LOCK SET.</p> <p>LAMINATED WORK SURFACE WITH GROMMETS</p> <p>30", 36" OR 42" WIDE OVERHEAD STORAGE BIN, WITH TASK LIGHT AND LOCK SET</p> <p>48" OR 60" WIDE OVERHEAD STORAGE BIN, WITH TASK LIGHT AND LOCK SET</p> <p>HUMANSIZE KEY BOARD MODEL # 5G90090HG (NO SUBSTITUTION)</p> <p>MID BACK TASK CHAIR, ADJUSTABLE ARMS, HEIGHT, AND BACK REST, TILT BACKREST MECHANISM.</p> <p>GUEST CHAIR, 4 LEGS METAL PAINTED WITH ARMS UPHOLTERED SEAT AND BACK REST.</p> <p>36" OR 42" WIDE, 4-DRAWER LATERAL FILE WITH HORIZONTAL FILE SUPPORT BARS FOR LEGAL AND STD. FILES, LOCK SET AND COUNTER WEIGHTS.</p> <p>TACK BOARD UNDER OVERHEAD WITH GRADE "A" FABRIC.</p> <p>15" WIDE, PEDESTAL, BOX, BOX, FILE WITH LOCK SET</p> <p>18" WIDE 5-DRAWER VERTICAL FILE</p> <p>PENCIL DRAWER</p> <p>HI BACK EXECUTIVE CHAIR, ADJUSTABLE ARMS, HEIGHT, AND BACK REST, TILT BACKREST MECHANISM.</p> <p>BOOK CASE</p> |
|--|---|

EXHIBIT B
MEMORANDUM OF COMMENCEMENT DATE

This Agreement is dated this ____ day of _____, 2008, for reference purposes only, by and between SAFCO EQUITY PARTNERSHIP, a California Limited Partnership, as Lessor, and County of Los Angeles, as Lessee.

THE PARTIES HERETO HAVE ENTERED INTO A LEASE dated as of August 21, 1990, Amendment No. 1 dated as of April 4, 2000, and Amendment No. 2 dated as of January 17, 2006, and Amendment No. 3 dated as of _____ (the "Lease") for the leasing of 21,680 rentable square feet of office space located at 1652-1662 West Mission Blvd., Pomona, California ("the Premises"). Lessor and Lessee hereby confirm the following:

That all construction required to be done by Lessor pursuant to the terms of the Lease have been completed subject to any remaining punchlist items;

That Lessee has accepted possession of Premises C and now occupies the same; and

That the term of the Lease for Premises C commenced on _____, 2008.

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor:

SAFCO EQUITY PARTNERSHIP,
a California Limited Partnership

By: Safco Holding Corp.
a California Corporation- Its General Partner

By : _____
John Safi, President

Lessee:

COUNTY OF LOS ANGELES

By _____

EXHIBIT C

MEMORANDUM OF TENANT IMPROVEMENT COSTS

This Agreement is dated this ____ day of _____, 200__, for reference purposes only, by and between SAFCO EQUITY PARTNERSHIP, a California Limited Partnership as Lessor and County of Los Angeles as Lessee.

THE PARTIES HERETO HAVE ENTERED INTO A LEASE dated as of August 21, 1990, Amendment No. 1 dated as of April 4, 2000, and Amendment No. 2 dated as of January 17, 2006, and Amendment No. 3 dated as of _____ (the "Lease") for the leasing of 21,680 rentable square feet of office space located at 1652-1662 West Mission Blvd., Pomona, California ("the Premises"). Lessor and Lessee hereby confirm the following:

Lessor and Lessee hereby confirm the following:

A. The final total cost of the tenant improvements is (\$_____).

This is comprised of:

Lease Budget		<u>Actual Expenditures</u>
\$ 64,000	Tenant Improvement Allowance	\$
\$ 256,000	Additional Tenant Improvement Allowance	\$
\$ 320,000	Total	\$

Pursuant to the Lease, Tenant shall reimburse Landlord for the Additional TI Allowance actually expended. Accordingly, \$_____ will be reimbursed and amortized over the initial 60 months at 9% resulting in a monthly reimbursement payment of \$_____.

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor: SAFCO EQUITY PARTNERSHIP,
a California Limited Partnership

By: Safco Holding Corp.
a California Corporation- Its General Partner

By : _____
John Safi, President

Lessee: COUNTY OF LOS ANGELES

By _____
William L. Dawson
Acting Director of Real Estate